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INFO RUEHZK/ECOWAS COLLECTIVE PRIORITY
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RUZEJAA/JAC MOLESWORTH RAF MOLESWORTH UK PRIORITY
RUEKJCS/DIA WASHINGTON DC PRIORITY
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C O N F I D E N T I A L ABUJA 000517

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DEPT PASS USTR FOR AGAMA, DOE FOR GEORGE PERSON

E.O. 12958: DECL: 03/12/2018

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SUBJECT: NIGERIA POWER SECTOR FUNDING DISCLOSED

REF: ABUJA 402

Classified By: Ambassador Robin Sanders, reasons 1.4 (b) and (d).

¶1. (SBU) Econoff met with Permanent Secretary of Energy for Power Dr. Abdullahi Aliyu March 6 to discuss media reports claiming that former President Obasanjo squandered \$16 billion from 1999-2007 on Nigeria's power sector. The House of Representatives has begun hearings to investigate how the \$16 billion was utilized.

¶2. (C) The PermSec explained that the \$16 billion figure is not accurate because a supplemental budget of \$16 billion was requested by the administration, approved by the legislature, but never disbursed. He said the total spent on the power sector from 1999-2007 was \$12.93 billion, largely for upgrading of basic power infrastructure. He said week of March 10-14, the Ministry will publicly disclose the following breakdown of the \$12.93 billion:

- \$100 million to the Energy Ministry
- \$3.20 billion to the Power Holding Company of Nigeria
- \$3.07 billion for the National Integrated Power Project
- \$500 million for Rural Electrification
- \$100 million for Management of the Energy Commission
- \$460 million in Loans from the World Bank, the Chinese Government and others
- \$4.06 billion PHCN internally generated revenue
- \$1.62 billion to the Nigerian National Petroleum Corporation

¶3. (SBU) Comment: Nigerian newspapers are filled with related stories as the House of Representatives Committee on Power and Steel continues its investigation on monies spent on the power sector since 1999 and the results (not) realized. The two areas that receive the most scrutiny are the \$4.06 billion in internally generated revenue and the \$3.07 billion for the National Integrated Power Projects. The press continues to confuse budget with expenditure, which further fans the controversy surrounding Nigeria's most public development challenge.
SANDERS